TD/B/44/2
TD/B/COM.3/4

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Report of the Commission on Enterprise, Business Facilitation and Development on its first session

held at the Palais des Nations, Geneva,
from 20 to 24 January 1997

UNITED NATIONS

Distr.
GENERAL

TD/B/44/2
TD/B/COM.3/4
19 February 1997

Original: ENGLISH

Report of the Commission on Enterprise, Business Facilitation and Development on its first session

held at the Palais des Nations, Geneva,
from 20 to 24 January 1997

CONTENTS

Chapter		Paragraphs
	Introduction	1 - 7
I.	Enterprise: issues relating to an enterprise development strategy (agenda item 3)	8 - 47
II.	Services infrastructure for development and trade efficiency assessment (agenda item 4)	48 - 72
III.	Organizational matters	73 - 79

Annexes

I.	Agreed conclusions on enterprise: issues relating to an enterprise development strategy
II.	Agreed conclusions on services infrastructure for development and trade efficiency assessment
III.	Chairman's summary of informal discussions under agenda items 3 and 4
IV.	List of panellists for panel discussions under agenda item 3
V.	Messages received on the occasion of the Commissions's first session
VI.	Provisional agenda for the second session of the Commission
VII.	Attendance

INTRODUCTION

1. The first session of the Commission on Enterprise, Business Facilitation and Development was held at the Palais des Nations, Geneva, from 20 to 24 January 1996. In the course of the session, the Commission held 6 plenary meetings (1st to 6th meetings) and 8 informal meetings.

Opening statement

2. The **Secretary-General of UNCTAD** said that the Commission's work must be seen against the background of the central role of enterprise development in the development process in an increasingly private-sector-driven global economy. The pragmatic approach taken by UNCTAD to enterprise development had several distinctive features. One was that firms were not envisaged as isolated actors but as elements of an overall system involving markets and government as well. The respective role of each might vary from one country to another and over time in any particular country. In such a context, one should examine in each case the conditions which would allow firms, markets and the Government to contribute best to economic activities.

3. Another feature was the holistic approach to enterprise development. There was a need for a "systems" approach to enterprise development which addressed the multiplicity and interaction of factors that underpinned the growth and competitiveness of enterprises at both the domestic and the international levels. Competition among enterprises increasingly involved competition among national systems composed of sound policies, support services and institutional back-up, innovation, inter-firm cooperation and government-business relations. Accordingly, he stressed the need for a coherent policy environment which linked macro and sectoral policies, including the timing and sequencing of liberalization policies, with firm-level efforts to expand supply capacity and to attain and maintain competitiveness. Thus, the State might be seen as a catalyst and facilitator in creating effective institutions, an enabling environment and an enterprise culture conducive to entrepreneurship, innovation and inter-firm cooperation.

4. Concerning item 4 of the agenda, he stressed that, in the present context of liberalization and globalization, the elimination of the barriers created by inadequate trade-supporting services was critical for the very survival of many of the weaker players in the international economy. For traders in developing countries and SMEs, improved trade efficiency was vital. In this connection, UNCTAD had been playing a leading analytical and operational role in fields such as trade facilitation, customs automation and transport modernization.

5. UNCTAD VIII had endorsed a consolidated approach in the Trade Efficiency Programme. The analytical and policy component of this programme had allowed the identification and formulation of over 500 practical measures which had been attached to the 1994 Columbus Ministerial Declaration on Trade Efficiency (TD/SYMP.TE/6) and which, if implemented, would significantly reduce the cost of international trade transactions and enhance the participation of smaller participants in international trade. UNCTAD IX had infused new vigour into trade efficiency, as reflected in the consolidation of its "traditional" activities with work in the sectors of transport, finance and insurance. He

expected that the work of the Commission would contribute significantly to the implementation of trade efficiency measures, thus leading to a real, measurable improvement in the conditions under which SMEs and enterprises from developing countries competed in international trade.

6. The approach adopted by UNCTAD with regard to trade efficiency was based on the assumption that the information revolution, which was reshaping the way value was created and distributed, widened the accessibility of strategic technologies and allowed dramatic productivity improvements, even in capital- and technology-scarce environments. However, decision-makers in the public sectors of developing countries and countries in transition had to be made aware of the new possibilities. In the course of the session, the secretariat would present some of the latest developments in the field of trade-supporting services. Putting these new solutions into practice would require the launching and support of reform processes in developing countries.

7. He expected that the Commission and the expert meeting convened by it would allow the interaction of Governments, the private sector, NGOs and the end-users of trade-supporting services and thus contribute to the creation of momentum for reform and help mobilize key actors in the public and private sectors.

Chapter I

ENTERPRISE: ISSUES RELATING TO AN ENTERPRISE DEVELOPMENT STRATEGY

(Agenda item 3)

8. For its consideration of this item, the Commission had before it the following documentation:

> "The changing nature of enterprises and competition and the implications for the formulation of an enterprise development strategy: issues paper by the UNCTAD secretariat" (TD/B/COM.3/2).

9. To further inform its consideration of this item, the Commission heard panels of experts on the following topics:*

> "Country experiences in enterprise development";
>
> "Building innovative SMEs in competitive markets - the experience of EMPRETEC".

10. The **Director of the Division on Investment, Technology and Enterprise Development**, introducing the item, said that document TD/B/COM.3/2 sketched out a proposal for a three-year work programme aimed at identifying diagnostic tools and guidelines to assist countries in analysing the various interrelated elements that might help formulate national enterprise development strategies. The process would also involve the systematic analysis of "best practices", including through exchanges of experiences. While the results were to be synthesized in the final year of the work of the Commission, it was expected that a number of intermediate products would be produced in the interval.

11. The document analysed the new dynamics of enterprise development and competition, stressing the importance of technological capability-building and innovation in sustaining competitiveness and emphasizing the diversity among firms and national systems.

12. With regard to the idea of an enterprise development strategy, strategizing meant developing a vision of the future, and the possibility for building commitment would be enhanced by strategies designed to set forth a series of objectives and to prioritize amongst them in order to provide guidance to policy makers. The best strategies explicitly recognized the contingent nature of strategic thinking and would involve an iterative process requiring continuous dialogue amongst the principal actors in order to adjust strategies to changing internal and external conditions. With regard to the competitiveness of enterprises, it was now commonplace to hear that a firm must learn to learn in order to adapt itself to the changing competitive environment. The same could also be said of the State.

---

* For the Chairman's summary of the informal panel discussions, see annex III. For a list of the panellists, see annex IV.

13. Two elements of an enterprise development strategy could be emphasized. Firstly, sustaining the competitiveness of firms involved enhancing their productivity and innovativeness, as well as strengthening the supporting institutions, physical infrastructure, linkages to suppliers and clients, universities, research institutions, productivity centres and a host of other actors. This was sometimes referred to as a national system of innovation, which was all the more important for small and medium-sized enterprises. Second, the holistic and interactive nature of the enterprise development process must be recognized, along with the importance of policy coherence at macro and micro levels, and in the three-year work programme of UNCTAD on enterprise development strategy, such a holistic perspective needed to be applied in dealing with any specific element in an enterprise development strategy.

14. In its work on enterprise development strategy, UNCTAD was seeking closer cooperation with other United Nations bodies, notably with UNIDO, ITC, ILO and the United Nations regional commissions. An UNCTAD/ECE inter-secretariat task force on enterprise-related issues in transition economies had just been created.

15. The spokesman for the **African Group** (Morocco) said that the forces of globalization and liberalization had drastically changed the framework for international competition. Rapid technological progress had revolutionized relations among firms and between them and other actors in the development process. Developing countries, particularly in Africa, were faced with the risk of being marginalized in international trade. At a time when enterprises in other countries were concerned about increasing their productivity and competitiveness, most African countries were still trying to mobilize, both locally and abroad, resources for acquiring production and export capability. Only if backed by international support could they succeed.

16. While document TD/B/COM.3/2 was of high analytical quality and contained a wealth of information, there was a one-sided emphasis on national factors that hindered enterprise development. While such national factors were undoubtedly relevant, no complete picture of enterprise development could be drawn if international factors were ignored. Market access, for instance, was an important factor. The reduction of trade barriers, technical barriers and other forms of protectionism would enhance competition and contribute to enterprise development.

17. International cooperation was also a decisive factor in enterprise development and should address the development and transfer of technology, as well as provision of financial assistance for the upgrading of enterprises affected by liberalization and adjustment programmes. Furthermore, provisions to promote SMEs should be made under SAPs.

18. As underlined at UNCTAD IX, regional and interregional cooperation to increase enterprises' and countries' competitiveness must play an important role in enterprise development, and he called upon international institutions and Governments of developed countries to assist in such endeavours.

19. Finally, he emphasized the importance in Africa of the informal sector, which constituted a means of survival for a large part of the urban population

but which, in its existing form, deprived of access to finance, information and modern technology, was not sustainable. International cooperation in general and UNCTAD's activities in particular could make a major contribution to assisting enterprises from the informal sector in graduating to the formal sector.

20. The spokesperson for the **Latin American and Caribbean Group** (Jamaica) said that the rapid changes taking place in business practices would put many enterprises, particularly in developing countries, at a disadvantage. In that connection, key issues identified in document TD/B/COM.3/2, such as an enabling macroeconomic environment for enterprise development, required further elaboration. There was also a need to improve the international environment, in particular regarding the transfer of technology and market access, for the development, growth and expansion of enterprises. She was confident that the panellists would contribute to the deliberations of the Commission, and the results of previous UNCTAD intergovernmental bodies, including those of the Ad Hoc Working Group on the Role of Enterprises in Development, should be taken into account.

21. Referring to document TD/B/COM.3/3 on agenda item 4, she noted that this aspect of UNCTAD's work was particularly practical and relevant. Technical assistance was an essential component of the work, and the inter-institutional cooperation referred to was commendable and needed to be encouraged.

22. Finally, she stressed the need to convene expert group meetings which would contribute to the further work of the Commission.

23. The spokesman for the **Asian Group and China** (Philippines) said that while globalization and liberalization affected all enterprises, it was SMEs that were most vulnerable to their possible negative effects. Enterprises had yet to grasp the opportunities that the Uruguay Round might create, and many enterprises, especially SMEs, had already been eliminated by foreign competition. If UNCTAD was to prevent the further marginalization of developing countries, especially the least developed ones, through support for enterprise development, member countries must act with determination. However, conditions varied from country to country and from enterprise to enterprise, and it might be futile to search for a singular, definitive strategy.

24. It was not only at the level of firms that there must be an enterprise development strategy. The State continued to have an important role to play in the development of enterprises, especially by providing an enabling policy environment and necessary infrastructures. Opening or maintaining a dialogue between the Government and enterprises was an important measure favouring the growth of enterprises. He stressed the need also for efforts at the international level to formulate enterprise development strategies, and UNCTAD could be at the forefront of such efforts, in terms of both its formulation and implementation. In that connection, the shortage of finance, both start-up capital and long-term finance, was a major problem for SMEs. It must be asked how foreign investment could help solve this problem and whether there were windows in international financial institutions to help enterprise development in developing countries.

25. Finally, he underlined that there was a need to strengthen UNCTAD's enterprise-related training programmes in order to address the scarcity of the technical and managerial skills needed in the new trading environment. Promoting innovation must be an important component of such training programmes.

26. The representative of the **Netherlands**, speaking on behalf of the **European Union**, emphasized the interest of the European Union in the issue of enterprise development and assured the Commission of the European Union's preparedness to work constructively towards a successful outcome of the session.

27. The representative of **Thailand** said that his Government had created a competitive environment by reducing protection of domestic industries, relaxing import controls and bringing down the levels of customs duties. Fiscal incentives would be used to promote the private sector's activities in research and development. In addition, the Ministry of Industry was focusing on the relocation of industries to rural areas, investment in SMEs and cottage industries with economic potential with a view to encouraging their participation in the international economy, and promoting and improving linkages between SMEs and main industries.

28. The role of the Government in the development of SMEs was not only supply-oriented, i.e. relating to credit provision, training, and R & D, but was also focused on stimulating demand through the promotion of subcontracting activities. The Joint Public-Private Sector Consultative Committee (JPPCC) was the mechanism for Government-private sector relations. The Government-private sector cooperation strategy encompassed support for private sector research and development, promoted development of personnel capacity in applying technology in the industrial sector, and arranged services to facilitate the application of technology.

29. In December 1996, UNCTAD had initiated a workshop-cum-study-tour for 25 business persons from African LDCs to Thailand. They had brought with them 100 trade and investment proposals, negotiated commercial deals and identified trade prospects as well as joint venture investment projects. Such interaction of business people served to stimulate investment networking at the national and enterprise levels, and he hoped that UNCTAD would initiate more such activities.

30. The sharing of country experiences would contribute towards identifying "best practices" in enterprise development which might be taken into consideration by Governments in the formulation and implementation of enterprise development strategies. His Government would continue to cooperate with UNCTAD in the area of enterprise development.

31. The representative of **Turkey** said that enterprises, especially small and medium-sized ones, should be supported, as they played a primary role in employment creation, manufacturing and export development. She informed the Commission of support and incentive measures for SMEs recently introduced by her Government. The new incentives included the provision of credits and finance to eligible SMEs and their exemption from VAT, customs taxes and stamp duties.

32. The representative of **Cuba** said that his delegation shared the general views expressed in document TD/B/COM.3/2. Enterprise development was important in the development process but also depended on factors other than a country's level of economic development, such as foreign investment, external resources and access to technology and international markets.

33. His country attached great importance to the SME concept, but the latter should not be associated solely with private ownership; it could also involve other forms of enterprise organization such as cooperatives, mixed private-public enterprises and public enterprises. The existence of adequate infrastructures, including transport, banking, insurance, telecommunications and trade information, was crucial for enterprise development in developing countries.

34. Globalization and liberalization could improve the growth and development of developing countries, provided that protectionist tendencies were controlled and the exclusion of developing countries from international trade and finance was avoided. Globalization should not lead to interference in internal affairs, nor should it entail the adoption of coercive measures or the imposition of models of economic development that could adversely affect economic and social conditions in developing countries. In conclusion, he expressed his confidence that the Commission could play a major role in implementing the objectives agreed upon at UNCTAD IX.

35. The representative of **Egypt** said that, to promote job creation with donor funding, his country had created a Social Fund for Development (SFD), one of whose core objectives was enterprise development. In the first phase, programmes had been geared towards the poor, while in the second phase the target groups had been enlarged. Criteria for qualifying for assistance included the existence of an economically viable product, the use of environmentally sound technologies, and the participation of women in the projects. The executing agencies in the programme were national business organizations and other NGOs, semi-governmental associations and the Government itself. Support was given to financial institutions for both credit risk and financial management, and importance was attached to implementing the programme in rural areas and to promoting local employment opportunities. The SFD also provided technical support, training, credit and institutional support for NGOs and business associations. Finally, the Government also provided tax incentives for enterprise development, and the media were used to build up an enterprise culture.

36. The representative of the **Russian Federation** underlined the importance of UNCTAD's work on enterprise development strategy. This issue, along with the question of international competitiveness and other aspects of enterprise development, was of direct relevance to the development of all countries, particularly in the context of the globalization and liberalization of international economic relations. UNCTAD could and should play an important role in the promotion of international consensus on a wide range of issues pertaining to the development of enterprises, particularly SMEs, and in the provision of technical assistance. He also welcomed UNCTAD's analytical and

practical work aimed at assisting developing countries and economies in transition in establishing infrastructure services in such areas as customs, transportation, banking, insurance, telecommunications and business information. Such work should be continued.

37. The representative of **Poland** said that the private sector in general and SMEs in particular played a significant role in Poland's economic development and were primarily responsible for the transformation and satisfactory performance of the Polish economy. The private sector had created new jobs, and it currently employed about 60 per cent of the labour force. SMEs had contributed to the development of markets and competition and of activities that were complementary to those of large industrial enterprises and the public sector.

38. He stressed that it was the role of the Government to create conducive conditions for enterprises to achieve and maintain high levels of productivity. Government should also facilitate research and development and encourage innovation. With regard to making SMEs more competitive, his Government had undertaken several support measures for SMEs, including advisory services for exporting SMEs. Other support policies would address legal and fiscal constraints and included the establishment of the Polish Foundation for SME Promotion and Development. Concerning financial support measures, a loan guarantee fund had been set up in the National Economy Bank which provided credit guarantees for small and medium-sized enterprises. In conclusion, he welcomed the first session of the Commission as a good opportunity to exchange experiences with other countries.

39. The representative of **Hungary** welcomed the outline of the work programme as contained in document TD/B/COM.3/2. However, he felt deep concern with regard to two aspects of the document. Firstly, the work programme lacked a well designed strategy for UNCTAD's cooperation with ECE, ITC and UNIDO. He hoped that, for the next session of the Commission, an outline of the distribution of labour among these organisations in the field of enterprise development could be developed. He welcomed the recently established UNCTAD/ECE task force.

40. Secondly, he expressed his discontent with certain paragraphs of document TD/B/COM.3/2 which did not pay due attention to the specific problems of enterprise development in different economies in transition. Some of the latter had already made considerable progress in creating the legal and institutional framework required for a market economy and had become members of the Organization for Economic Cooperation and Development. In other transition economies, major tasks of economic transformation still lay ahead. He therefore urged the secretariat to reconsider the text of the relevant paragraphs of the document.

41. The representative of the **International Monetary Fund** (IMF) said that he agreed with much of document TD/B/COM.3/2 but was less enthusiastic on several points. He strongly endorsed the call in the document for a coherent policy environment which linked macro and sectoral policies with firm-level efforts to attain and maintain competitiveness and which was conducive to the development of an "innovation system". He endorsed the primordial importance of macroeconomic policies and welcomed the focus on legal, regulatory and tax

policies. However, he disagreed with the assessment of structural adjustment programmes (SAPs); they were neither universal nor uniform in general or as far as enterprise development was concerned. A structural adjustment programme was a comprehensive set of policies based on individual needs and circumstances. A major objective was to allow factor prices to reflect resource scarcities, hence the emphasis inter alia on exchange rates and interest rates. With regard to picking winners, i.e. sectors to be protected or to be provided with incentives, while avoiding losers, this had not always been a successful strategy in the past. Governments might face increased difficulties in this respect in the new liberalized trading environment.

42. Concerning the speed and content of economic reforms, the issue was not the need to choose between "shock therapy" or gradualism, as such a dichotomy was not particularly helpful. The real issue related to what needed to be done, how and within what time-frame. An important consideration in this regard was the amount of finance available to assist the reform process. He argued for a quicker rather than a slower pace of reform, since the sooner the macroeconomic frame was stabilized, the sooner investors, savers and consumers could make rational decisions and benefit from the reform; the ability of anti-reform forces to slow down or block the process would also be curbed.

43. The representative of the **International Trade Centre** (ITC), informing the meeting of the work of his organization in the area of enterprise development, stressed the need to avoid duplication and to seek complementarities and synergies in the work of UNCTAD and ITC. ITC activities at the firm and institutional level constituted the logical downstream activities in relation to UNCTAD's upstream work, the latter covering policy-related issues, privatization and reform, public-private sector dialogue and enterprise development strategies. ITC activities were designed to translate policy and strategy developments into actual business opportunities and to enable the exporting community to derive full benefits from these opportunities. This complementarity provided considerable scope for cooperation between the two organizations, e.g. in the area of strengthening trade points and TRAINFORTRADE operations. The EMPRETEC programme, however, might usefully be a subject of discussion in terms of its scope vis-à-vis ITC's traditional areas of activity.

44. The representative of **Bulgaria** said that his delegation supported the main ideas and the constructive proposals contained in document TD/B/COM.3/2. Privatization and private sector development, particularly enterprise development, were among the main pillars of the economic policy of developing countries and countries in transition, and in that connection he endorsed the analysis and proposals concerning transition countries in document TD/B/COM.3/2. His delegation recognized the need for and importance of analytical work and policy formulation in the field of enterprise development, particularly the development of SMEs. In this context, he also supported the proposal to convene an expert group meeting on enterprise development policy.

45. The representative of the **Economic Commission for Europe** said that, in January 1997, UNCTAD and ECE had set up an inter-secretariat task force on enterprise development in transition economies. The objective was to harness the direct experience of the ECE secretariat regarding economic conditions in the transition economies and the high-quality analytical and policy-oriented

work undertaken by UNCTAD in respect of enterprise development in developing and transition economies. The two secretariats would be defining a coordinated programme of work designed to benefit the transition economies. Enterprise development had been identified by the ECE member States as an important activity to which more resources should be devoted.

Action by the Commission

46. At its 6th (closing) plenary meeting, on 24 January 1997, the Commission adopted its draft agreed conclusions on agenda item 3 (TD/B/COM.3/L.2). (For the text of the agreed conclusions, see annex I.)

Closing statement on agenda item 3

47. The spokesman for the **Latin American and Caribbean Group** (Jamaica) said that his Group saw every merit in defining a work programme on enterprise development for the next three years which could be evaluated prior to UNCTAD X. It would however be important to ensure consistency between the Commission's work in that respect and the related use of resources on the one hand and UNCTAD's medium-term plan and its programme budget on the other. The Commission's work programme on enterprise development should have two main objectives. Firstly, it should contribute to the development of policy guidelines that could be incorporated into the core elements of an enterprise development strategy at the national level. Secondly, it should strengthen the institutional and human resource capacity of individual countries through information, dialogue and other means within the framework of UNCTAD's technical assistance activities. At the end of the three-year period, it would be possible to evaluate the degree to which the objectives had been attained and on that basis decide whether work on enterprise development represented an important contribution to development and therefore whether it should form part of the elements presented for ministerial consideration at UNCTAD X. In short, work on an enterprise development strategy must be based on a strategic vision, the elements of the strategy must contribute to growth and development without jeopardizing macroeconomic stability, and the strategy must be amenable to evaluation.

Chapter II

SERVICES INFRASTRUCTURE FOR DEVELOPMENT AND TRADE EFFICIENCY ASSESSMENT

(Agenda item 4)

48. For its consideration of this item, the Commission had before it the following documentation:

> "Services infrastructure for development and trade efficiency assessment: report by the UNCTAD secretariat" (TD/B/COM.3/3).

49. The **Chairman** announced that messages related to agenda item 4 had been received from the Executive Secretary of ECE, the Executive Director of ITC and the Secretary-General of ITU. (For the text of the messages, see annex V).

50. To facilitate the Commission's work, the secretariat made a series of short presentations on various areas of activity relating to services infrastructure and trade efficiency. The presentations were followed by informal discussions.*

51. The **Officer-in-Charge of the Division of Services Infrastructure for Development and Trade Efficiency** said that one-fifth of developing countries had in recent years experienced economic growth at a faster rate than expected. This trend was expected to continue, and developing countries were expected to become the engine of world economic growth. The observed fast growth was attributable to such factors as political stability, control over inflation, domestic savings, etc. At the same time, however, efficiency of trade-supporting services and investment in information technologies had also been critical catalysts for growth. In this regard, UNCTAD could play a key role in making developing countries and SMEs more competitive.

52. The mandate given at UNCTAD IX was a follow-up to the United Nations International Symposium on Trade Efficiency (UNISTE), held in Columbus, Ohio, in 1994. In this connection, the Columbus Symposium had made a large number of recommendations, and it had therefore been essential to make a choice among them, largely on the basis of feedback from member States. There would be continued coordination of activities with work carried out by the ECE, ITC and WCO. The number of programmes currently being implemented was quite large, but decisions would need to be made regarding which activities could be continued. The criterion for selecting activities to be continued and those to be dropped would be the impact of the programmes concerned. Where the impact was small, the programmes would be discontinued. The same criterion would be applied to new areas which were being embarked upon, for example banking. He noted that the programme on micro-enterprises was not to be discussed at the present session of the Commission but would be recommended for inclusion on the agenda for the Commission's next session.

---

* For the Chairman's summary of the presentations and discussions, see annex III.

53. The representative of the **Islamic Republic of Iran** said that the topic under consideration was of great importance to developing countries, since many of them lacked adequate services infrastructure that met the requirements of today's competitiveness. In that connection, his country had started implementing the ASYCUDA project and hoped to make it operational soon.

54. With regard to Trade Points, there was need for a clear and in-depth assessment of their possible contribution to the needs of developing countries in terms of gaining access to international markets. Trade Points and trade facilitation mechanisms had long been available in the services infrastructure of developed countries, and it was developing countries who should be the main beneficiaries of new Trade Point programmes. There was a need for greater interaction between developed and developing countries in the development of a global Trade Point network.

55. Concerning transit transport facilitation, his country was situated at a geographical crossroad, and at least nine land-locked developing countries depended on transit routes through the country. Its policies on infrastructure were vital for the neighbouring countries, but also for others outside the region. In this connection, the Islamic Republic of Iran had embarked on a large capital investment programme in rail and road transit systems, as well as efforts to promote an appropriate commercial environment. Despite this, there were still unresolved environmental, legal and social issues relating to transit arrangements. These needed to be addressed, and his country was prepared to cooperate with UNCTAD to seek solutions to them.

56. The representative of **Mexico** described the experience of his country in the field of trade efficiency and enterprise promotion. After the devaluation of the country's currency in 1994, which had led to the bankruptcy of 15,000 SMEs and a decrease in GNP of 6.3 per cent, the largest drop in 50 years, the Government had introduced the Industrial Policy and Foreign Trade Programme. The Programme's objective was to foster technological change and innovation; to encourage inter-firm cooperation and the development of industrial clusters; to attain international competitiveness; and to promote employment in SMEs. The results of this Programme had been encouraging, and backed up by a series of economic, financial, fiscal, foreign-trade, investment and enterprise-promotion policies, had enabled the GNP to rise by 4.5 per cent in 1996.

57. At present, the Programmes' main activities concentrated on: (i) access to finance on international terms and conditions; (ii) setting up regional centres to promote competitiveness; (iii) developing suppliers; (iv) disseminating information and promoting innovation and technical change; (v) improving transport, communications and the legal framework.

58. The country's deregulation programme had been another means of improving the efficiency of Mexican companies. This process had led to a substantial simplification of procedures, which were readily available on the Internet to interested users. This would lead to the establishment of a Register of company procedures by the end of 1997. Foreign trade was being promoted within the framework of the second plan of the National Bank for Foreign Trade (BANCOMEXT), which this year was expected to provide financial services to more than 5,000 SMEs.

59. His country supported the proposal of the UNCTAD secretariat to carry out two expert meetings on transit and telecommunications. However, the meeting on transit should also consider technical and trade infrastructure aspects relevant to the distribution of goods and services.

60. The representative of **Senegal** said that the efficient utilization of trade and information technology were key factors of economic development. In this context, the Government of Senegal had established a Trade Point which provided a means of creating a partnership between the State and the private sector. The Trade Point had the status of a public utility association, and its founding board consisted of the professional groups which had participated in its creation. This form of organization permitted collaboration between the State and the private sector in service activities, and it allowed the Trade Point to manage its activities like an enterprise whilst enjoying the prerogatives of a public enterprise. The objectives of the Trade Point were to serve as a facilitation centre for international trade, a source of trade information and a centre for help and advice. The latter function would permit the Trade Point to develop its activities in support of micro, small and medium-size enterprises. Finally, the Trade Point was also expected to contribute to regional and international cooperation. Senegal was thus committed to cooperating closely with UNCTAD in carrying out its Trade Point programme.

61. The representative of **China** said that access to and the use of information technologies were crucial for Chinese enterprises, and the trade efficiency programme provided a framework for mastering such technology. Trade efficiency reduced transaction costs, and in areas such as customs, transport, banking and insurance, it could offer invaluable support to trade. China had supported UNISTE in Columbus and continued to support the Trade Point programme. In this connection, two Trade Points had been established in the country, one in Shanghai and the other in Beijing. Both were linked to the ETO system and had developed a range of activities related to the use of Internet technologies, customs, product inspection, etc. Many enterprises were making use of the services provided. The Trade Point in Beijing had established an Internet page called "Peking Business", while the one in Shanghai had introduced its own information management system and had set up its own database, which could become a model for the international Trade Point network. He expressed the hope that UNCTAD would continue providing assistance and guidance in the future development of Trade Points.

62. The representative of **Nepal** said that an ASYCUDA project had been launched in his country. The second phase of the project was part of a multimodal and trade facilitation programme financed by the World Bank. The project was expected to increase government revenue, and it would have a very important role to play in the economy of the country.

63. The representative of the **International Federation of Freight Forwarders' Associations** (FIATA) expressed the interest and commitment of the freight forwarding industry, nationally and internationally, in respect of supporting UNCTAD in the promotion and further development of trade-supporting services in the field of transportation and the import and export of manufactured and semi-manufactured goods. Communications systems, such as ACIS and ASYCUDA, were important tools in facilitating trade. The

globalization of trade would mean ever-increasing demand for efficient and cost-effective transport systems and freight services. This was of particular importance in developing countries where the lack of a suitable transport infrastructure could result in an unbearable add-on to the basic price of goods. In their work on trade facilitation, UNCTAD and FIATA complemented each other with regard to the removal of barriers, fiscal or otherwise. UNCTAD's recent publication on multimodal transport illustrated again the need for closer cooperation in the setting of standards in international transportation.

Action by the Commission

64. At its 6th (closing) plenary meeting, on 24 January 1997, the Commission adopted its draft agreed conclusions on agenda item 4. (For the text of the agreed conclusions, see annex II.)

Closing statement on agenda item 4

65. The representative of **Mexico** said that the trade efficiency assessment should be complemented by consideration of problems associated with the distribution of goods and services. Distribution had an increasing impact on the cost of trade and the access of developing countries to international markets, and it was therefore important to identify the obstacles facing developing countries in that respect. Informal consultations should be held to identify elements which could subsequently be dealt with by the Commission. In this regard, during the Commission's informal consultations, members of the Commission and the secretariat had expressed interest in the Mexican proposal and the idea had been advanced that it should be analysed in the near future.

General closing statements

66. The representative of the **Netherlands**, speaking on behalf of the **European Union**, expressed satisfaction with the very effective way in which the meeting had been conducted and with the concrete results that had been reached. The time was now approaching to take stock of the work of the Commissions, which were intended to play a pivotal role between the Trade and Development Board and expert meetings and to provide the forum for an exchange of views leading to the formulation of policy guidelines. The objective should be to have broad, informal, policy-oriented debate on substantive issues, and it was important to ensure that in the format of Commission meetings sufficient time was made available for policy discussion based on secretariat documentation. The wisdom of dividing a session into two distinctly separate parts, leading to parallel negotiations on the outcome of the discussions at a very early stage of the meeting, might have to be reconsidered.

67. The representative of the **United States of America** said he agreed with the statement of the Netherlands. The format followed under agenda item 4, in which the secretariat had made a number of short sectoral presentations followed by discussions on the issues raised, should serve as a model for future work. The presentations had given delegations a clear understanding of

the secretariat's activities, focused on practical end results, recognized the need for clear indicators of success and failure, and dispelled the image of UNCTAD as a think tank.

68. The spokesman for the **African Group** (Morocco) said he agreed with the Netherlands. The issue concerned the intergovernmental machinery of UNCTAD as a whole and should therefore be taken up within the framework of the consultations of the President of the Board. A more integrated approach was needed for the work of the Commissions. Finally, he expressed particular appreciation for the approach taken under agenda item 4.

69. The spokesman for **Group D** (Bulgaria) said that the results of the Commission's work were positive and balanced. The Commission was one of the key bodies of the new institutional machinery of UNCTAD.

70. The representative of the **Russian Federation** said that, following Midrand, UNCTAD was embarking on a new phase of action-oriented work involving not only government representatives but also non-governmental organizations, entrepreneurs, exporters and other trade practitioners. It would be important for the information generated by the work of the Commission to be disseminated as widely as possible among such practitioners in order to enable them to play a more active role in the future work of the Commission.

71. The spokesman for the **Latin American and Caribbean Group** (Jamaica) said that the presentations made under both item 3 and item 4 had been effective and substantial. He looked forward to the continuing work of UNCTAD in the fields concerned.

72. The spokesman for the **Asian Group and China** (Philippines) said he agreed that more coherence was required in the work of UNCTAD. He also agreed with the Netherlands concerning the need to rethink the format of Commission sessions, since the practice of holding informal consultations in parallel with the main work of the Commission made it difficult for small delegations to participate fully.

Chapter III

ORGANIZATIONAL MATTERS

A. Opening of the session

73. The first session of the Commission on Enterprise, Business Facilitation and Development was opened on 20 January 1997 by Mr. Rubens Ricupero, Secretary-General of UNCTAD.

B. Election of officers

(Agenda item 1)

74. At its 1st plenary meeting, on 20 January 1997, the Commission elected its Bureau as follows:

Chairperson:	Mr. Manuel Dengo	(Costa Rica)
Vice-Chairmen:	Mr. Ranjana N. Abeysekera	(Sri Lanka)
	Ms. Violeta Fonseca de Sanabria	(Venezuela)
	Mr. Bashir Musa	(Nigeria)
	Mr. Corrado Milesi Ferretti	(Italy)
	Mr. Petko Baev	(Bulgaria)
Rapporteur:	Ms. Heather Booth di Giovanni	(United Kingdom of Great Britain and Northern Ireland)

C. Adoption of the agenda and organization of work

(Agenda item 2)

75. At the same meeting, the Commission adopted the provisional agenda circulated in document TD/B/COM.3/1. Accordingly, the agenda for the first session was as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Enterprise: issues relating to an enterprise development strategy
4. Services infrastructure for development and trade efficiency assessment
5. Provisional agenda for the second session of the Commission and any necessary preparation through expert meetings
6. Other business
7. Adoption of the report of the Commission to the Trade and Development Board.

D. Provisional agenda for the second session of the Commission and any necessary preparation through expert meetings

(Agenda item 5)

76. At its 6th (closing) plenary meeting, on 24 January 1997, the Commission approved the draft provisional agenda for its second session. (For the provisional agenda, see annex VI.)

77. In connection with item 3 of the provisional agenda, and in accordance with paragraph 4 of its agreed conclusions on enterprise development strategy (see annex I), the Commission decided to convene an expert meeting on "The respective roles of government and the private sector, including NGOs, and the interactions between them in creating a coherent policy framework and setting up effective support measures and structures for the development of SMEs and micro-enterprises, in particular those in least developed countries".

78. In connection with item 4 of the provisional agenda, and in accordance with paragraph 8 of the agreed conclusions on services infrastructure for development (see annex II), the Commission decided to convene one expert meeting on "Use of information technologies to make transit arrangements more effective" and another on "Telecommunications, business facilitation and trade efficiency".

E. Adoption of the report of the Commission to the Trade and Development Board

(Agenda item 7)

79. At its 6th (closing) plenary meeting, on 24 January 1997, the Commission adopted its draft report (TD/B/COM.3/L.1 and Add.1), subject to any amendments made to the summaries of statements by the delegations concerned, and authorized the Chairman to annex to the report his summary of the informal discussions under agenda items 3 and 4. It further authorized the Rapporteur to complete the text of the report to reflect the proceedings of the closing plenary.

Annex I

AGREED CONCLUSIONS ON ENTERPRISE: ISSUES RELATING TO AN ENTERPRISE DEVELOPMENT STRATEGY

1. The Commission takes note of the secretariat document entitled "The changing nature of enterprises and competition and the implications for the formulation of an enterprise development strategy" (TD/B/COM.3/2) and of the proposed work programme contained therein.

2. The Commission recognizes the importance for developing countries, in particular least developed countries, and economies in transition, to develop enterprise development strategies paying attention to a number of factors at both the domestic and international levels:

- The changing and heterogeneous nature of enterprises and of international competition, taking into consideration technological complementarities across industries, the rapid pace of technological change and the need for effective integration into global markets;

- The complex nature of the enterprise development process, which addresses the multiplicity and interaction of factors that underpin the growth and competitiveness of enterprises at both domestic and international levels, and which underlines the need for an integrated approach, encompassing inter alia supportive policies and instruments, innovation, inter-firm cooperation, government-business dialogue and the mobilization of financial resources, notably for SMEs;

- The importance of a coherent policy environment which links macro and micro policies, appropriately timed and sequenced, with firm-level efforts to attain and maintain competitiveness; and

- The importance of the role of the state in creating an effective enabling environment and in facilitating an enterprise culture, market networks conducive to entrepreneurship, innovation, and inter-firm cooperation, both internally and internationally.

3. The Commission recognizes that further analytical work and policy research within UNCTAD will be needed in particular areas and takes note of the proposals made in this regard:

(i) The respective roles of government and the private sector, including NGOs, and the interactions between them in creating a coherent policy framework and setting up effective support measures and structures for the development of SMEs and micro-enterprises, in particular those in least developed countries;

(ii) The possible value as well as the ways and means of promoting and facilitating effective inter-firm cooperation, including clustering, networking and technology partnership, both

domestically and internationally, as an instrument in fostering the development and competitiveness of enterprises;

(iii) The development of innovation, entrepreneurial and technological capabilities as essential inputs for the development and growth of enterprises;

(iv) The short and long-term impacts of macroeconomic reform and liberalization on the development and growth of enterprises, particularly on SMEs.

4. The Commission decides to convene an expert meeting on item (i) above and invites the secretariat to prepare an overview of work already done. Furthermore, the Commission invites Governments to prepare contributions on this topic in order to facilitate and enrich the exchanges of country experiences. Such an approach will enable the Commission to examine and draw lessons from country experiences and to identify policy elements which may be taken into consideration by Governments in the formulation and implementation of enterprise development strategies.

5. The Commission requests that the secretariat begin analytical work and policy research on item (ii) above and recommends that it start with an overview of work already done.

6. The Commission further requests the secretariat, in cooperation with other United Nations agencies, to provide a background note on information available on research bodies and other support institutions working in the area of enterprise development that might be constituted into a database, accessible, inter alia, via Internet.

7. The Commission requests the secretariat to develop further its technical cooperation activities in the area of enterprise development and, in cooperation with other competent United Nations organizations and agencies, to develop and expand the EMPRETEC programme. The Commission requests the secretariat to solicit contributions to extrabudgetary resources for this purpose.

8. The Commission stresses the importance of UNCTAD working in close cooperation with other United Nations agencies and international organizations in the implementation of its work programme and requests it to provide a report on the extent of this cooperation.

Annex II

AGREED CONCLUSIONS ON SERVICES INFRASTRUCTURE FOR DEVELOPMENT AND TRADE EFFICIENCY ASSESSMENT

1. The Commission takes note of the secretariat documents entitled "Services infrastructure for development and trade efficiency assessment" (TD/B/COM.3/3) and "Trade efficiency assessment" (TD/B/COM.3/3/Add.1) and of the proposed priorities contained therein for a programme of work in the six sectors and three cross-sectoral areas described.

2. The Commission considers that, in a globalizing and liberalizing economy, the competitiveness of traders - and particularly of small and medium-sized enterprises - increasingly relies upon access to information and information technologies and on the availability of simplified, compatible procedures and practices. This represents a particularly important challenge for developing countries, especially the least developed countries, and countries in transition. In this context, UNCTAD should develop its strategic approach to and enhance its analytical capacity for trade efficiency, building upon the practical and action-oriented work which it has been producing in this area. It further considers that the trade competitiveness of smaller firms in these countries is of central importance to their more active participation in international trade.

3. In this regard, the Commission recognizes the importance of continuing the work called for by "A Partnership for Growth and Development" (UNCTAD IX, Midrand, May 1996) (TD/378), building upon the Columbus Ministerial Declaration (Columbus, October 1994) (TD/SYMP.TE/6), in the area of services infrastructure for development and trade efficiency.

4. The Commission takes note of the cooperation which has been prevailing between UNCTAD, ITC, ECE and ITU, and stresses the importance of pursuing and deepening such cooperation with these and other relevant bodies, including all United Nations regional commissions and WTO, in the field of service infrastructure for development and trade efficiency; it requests the UNCTAD secretariat to provide a report on the extent of this cooperation.

5. The Commission considers that the work of the UNCTAD secretariat in the areas identified under item 4 of the agenda of its first session (namely customs, transport, banking and insurance, business practices/trade facilitation, business information, telecommunications; transit, human resources development, legal issues) should be pursued in an integrated fashion, so as to maximize the synergies and economies of scale which may be identified between these areas. In each of these areas, the secretariat should focus on a limited number of priorities.

6. The Commission takes note of the expansion of the Trade Point programme and the interest of member countries in participating. The Commission requests the secretariat to solicit contributions for this purpose. It requests the secretariat to provide as early as possible an evaluation of the Trade Point programme - including the extent of the inter-operability of Trade

Points - parts of which should constitute an input to the preparation of the expert meeting on telecommunications, business facilitation and trade efficiency (see para. 8 below).

7. The Commission requests the secretariat to produce an information note on the basis of a cost-benefit analysis of practical ways and means to ensure the legal protection of the Trade Point and Global Trade Point Network names and logos.

8. The Commission convenes two expert meetings on the following items and at the following dates:

(i) Use of information technologies to make transit arrangements more effective: 7-9 April 1997; transit and transport facilitation issues should be considered from a technical point of view, in the broad context of trade and development, with special focus on the specific problems of land-locked and access-granting countries;

(ii) Telecommunications, business facilitation and trade efficiency: 15-17 September 1997; the focus of the meeting should be to assess the practical trade and development implications of the Global Information Infrastructure (GII), including its applications for the Global Trade Point Network (GTPNet).

9. The Commission considers that the secretariat should pursue its work on the strategic, analytical and methodological bases on which a trade efficiency assessment exercise could be organized. It requests the secretariat to produce an interim report on this issue in time for consideration by the Commission at its second session.

10. The Commission decides to consider at its second session the contribution that infrastructure services can make to the informal sector and the development of micro-enterprises.

Annex III

CHAIRMAN'S SUMMARY OF INFORMAL DISCUSSIONS UNDER AGENDA ITEMS 3 AND 4

A. Enterprise: issues relating to an enterprise development strategy

(Agenda item 3)

1. Panel of experts on "Country experiences in enterprise development"

1. The informal panel-led discussion raised a number of important issues. These included: the role of the State and of the private sector; government-business dialogue; forms of inter-firm cooperation, including user-supplier relationships, clustering and networking; effects of structural adjustment and liberalization on enterprise development; and other issues related to the development of SMEs, including micro-enterprises.

2. Many speakers emphasized the importance of the role of the State in the process of enterprise development. This role was manifested at two levels: at the macro level in terms of creating an enabling environment, good macroeconomic policies, a sound legal, regulatory and tax framework and political stability; and at the micro level *inter alia* through providing appropriate support measures and structures and investing in capacity-building, including in the areas of education, training and health. It could create an environment in which the private sector knew what was happening. It could promote policy coherence by ensuring that policies were evaluated regularly for their impact and were adapted as necessary. Those Governments which had succeeded had adopted clear strategies of economic development, including creating conditions and adopting supportive policies for the creation, growth and development of enterprises. However, there was a need to be selective and to focus on priority areas. A policy of benign neglect of non-priority areas had much to commend itself. For example, SME support should always be of a promotional nature, designed to help promising SMEs to grow and not to save SMEs for the sake of saving them. There was often a choice between helping the most promising or the most needy. The right type of State support, e.g. by removing regulatory or other business constraints, by speeding up administrative procedures or by facilitating access to information and institutionalized finance, could often make a critical difference in the successful development of enterprises, particularly SMEs.

3. The importance of the role of the State also implied a need for effective interactions and dialogue with the private sector, in which both parties cooperated in order to achieve policy coordination and coherence. Such effective cooperation had led to important results, for example in the Republic of Korea in the 1960s and the 1970s. Factors contributing to success included: pragmatic government policies which were reviewed regularly and which involved a combination of "carrots" (e.g. export incentives) and "sticks" (e.g. tax surveillance of failing firms and threats of confiscation of their assets); domestic measures to remove rent-seeking activities and to encourage investment in productive activities, including greenfield ones; a systematic,

well-organized export development strategy, involving indicative export targeting through joint industrial committees at product, market and firm levels, monitoring of targets and adjustment in response to international market signals; and a politically insulated and efficient economic bureaucracy with sector-specific expertise to interact with the private sector. Other examples of the use of government-private sector dialogue in order to achieve policy coherence included Singapore and Taiwan, Province of China. However, the question arose as to whether the range of activist policies and policy autonomy used by these economies earlier was still available in the post-Uruguay Round context. While useful lessons could be drawn from their experiences, the central challenge under the present circumstances was to find new methods of public-private sector cooperation in the context of clear and flexible strategies for enterprise development.

4. In the new dynamics of enterprise development and international competition created by globalization and liberalization, inter-firm cooperation played an important role, particularly in allowing SMEs to participate in the global production chain and the international market place through, for example, user-supplier relationships and specialization and networking for the purpose of penetrating "niche" markets. Clustering, while not applicable in all circumstances, was a particularly important form of inter-firm cooperation. It allowed SMEs not only to overcome their smallness but also their loneliness, enabling them to compete internationally through the achievement of collective efficiency. This collective efficiency arose from two factors: the achievement of local external economies (the economies of agglomeration) and joint action, both vertical and horizontal. Their interactions from their close proximity to each other might also give rise to knowledge spillovers. Experiences had shown that clustering mattered not only in developed countries but also in developing countries and that it had helped SMEs to overcome growth constraints. Experience also suggested that assistance by the State in promoting clustering might be more effective in achieving a sustainable, cumulative effect if it was targeted at groups of enterprises, including through their business organizations, rather than at individual enterprises. Useful lessons might also be drawn from Scandinavian experiences of the role of network brokers or facilitators.

5. Structural adjustment and liberalization policies had had mixed results on enterprise development in many countries. In a number of Latin American countries, for example, the results during various phases had included economic turbulence, e.g. in the early 1980s, accompanied by the destruction of thousands of enterprises, particularly in the low-skilled, labour-intensive sectors. They had also led to industrial segmentation into two sectors, a competitive, relatively high-productivity small sector consisting of modern, capital-intensive firms or conglomerates and a relatively low-productivity larger sector comprising SMEs which were continually slipping behind and losing ground. Data on productivity levels relative to the United States showed that, at the aggregate level, there had been no progress in closing the gap; this was because the rapid productivity gains in the capital-intensive, resource-based sectors had been offset by declining productivity in the remaining sectors.

6. Since these effects, for example in terms of the destruction of enterprises in the low-productivity sectors, were not confined to

Latin American countries, they raised important policy implications for many countries which had to grapple with the effects of such policies and their social consequences. In this regard, the relationships of macro and micro policies were of particular importance. For example, the lack of finance was often a major problem for SMEs, and less so for large enterprises, in adjusting to the effects of such policies. In addition, market failures relating to imperfections or dislocations in financial intermediation services and very high interest rates could cause failures of SMEs which would be viable under more stable conditions. Moreover, the consequences of adjustment policies in terms of higher interest rates, reduced demand and output and reduced tax revenue had the effect of inhibiting the ability of the State to help deserving SMEs when such help was most needed in order to allow them to survive and adjust to the new circumstances. There was thus a case for external financing during the transitional period of adjustment to meet the cost of such SME support programmes until tax revenue could recover.

7. However, while macroeconomic stabilization was a necessary but not sufficient condition for enterprise development, structural adjustment and liberalization measures had produced encouraging positive results such as the emergence of an enterprise culture and increased entrepreneurial activities to take advantage of the enlarged economic opportunities for the private sector arising from such measures. Examples were cited of people who would formerly have thought in terms of being an employee increasingly developing an entrepreneurial mentality and acquiring skills to create their own business. In this context, it was particularly important that the State provide a favourable environment and appropriate supporting measures and structures in order to channel the emerging entrepreneurial spirit and energy into viable, productive activities.

8. Other issues relating to the development of enterprises, particularly SMEs, were also discussed. Experiences of various economies in transition suggested that enterprises recognized the need to undertake strategic business planning involving developing a strategy for competitiveness, skills and technological capacity and proper customer orientation. In this regard, SMEs needed particular assistance in which the State could play an important role, including access to essential inputs. Access to finance was an important need but not sufficient by itself; it needed to be accompanied by non-financial support services, including information (e.g. on networking opportunities) and training. In Kazakstan, for example, SME access to equity and loan finance had been hindered by weaknesses in national financial intermediation services, such as instability and lack of expertise in the banking sector and the absence of any local venture capital funds. Local savers tended to hold their savings at home because of risks to bank deposits, and SMEs had to rely primarily on owners' capital. However, finance provided by bodies such as the EBRD had helped to address these problems for some enterprises. In addition, international assistance was being provided to support capacity-building in financial intermediation services. It was stressed that the very high real interest rates in transitional economies such as Kazakstan were characteristic of a transitional period of macro adjustment and reflected high levels of uncertainty and perceived risks to lenders; such rates did not represent equilibrium conditions and far exceeded the possibilities for most enterprises to generate sufficient real income.

9. However, the importance of finance and non-financial support services, particularly for SME development, was also common to developing and other countries. On finance, the issues related, among other things, to measures not only to mobilize resources but also to channel them to SMEs. Experience showed that seed money provided by informal or specialized institutions for SME finance could often play an important role in allowing SMEs to gain access to institutionalized finance. Creating appropriate linkages between the informal and formal financial sectors, by using the network of information of the informal sector and the lending facilities of the formal sector, could help to enhance the access of SMEs, including small enterprises in the informal sector, to finance, for example by reducing transactional costs and the interest rates charged on loans. This had been emphasized at the UNCTAD Ad Hoc Working Group on the Role of Enterprises in Development at its session in July 1995 (see TD/B/42(1)/17). On business support services, among the issues raised was that of user charges. Such charges helped to ensure that services were demand-driven and to cover costs. In situations where full-cost recovery might not be possible, there was a need at least for some form of cost-sharing between the provider and user.

2. Panel of experts on "Building innovative SMEs in competitive markets - the experience of EMPRETEC"

10. It was stated that Governments no longer contested the view that the private sector was the engine of growth in most economies. However, the creation by Governments of an enabling environment for private enterprise, including SMEs, was a necessary but not sufficient condition. There would be a need for programmes, such as EMPRETEC, that interacted directly at the enterprise level and were not just limited to the macro level. EMPRETEC identified, selected, motivated, and worked with entrepreneurs with high growth potential assessed according to a set of proven essential entrepreneurial competencies. The programme had no rigid boundaries: it was designed to provide the participating entrepreneurs with the business support they needed to sustain and succeed in their business activities over the years and to identify and develop entrepreneurial skills. It was not true to say that "entrepreneurs are born"; training in entrepreneurial skills was also important.

11. In the above context, Governments could contribute and assist in three areas: by identifying and targeting specific sectors of the economy where the country had or would likely command a comparative advantage, by stimulating domestic investment, and by promoting foreign direct investment. It was further noted that among the important elements of a business-enabling environment would be the maintenance by Governments of low inflation and interest rates, the availability of research facilities and capabilities to facilitate business growth and innovations, the promotion of not only economic growth but also productivity growth, and the fostering of business linkages with foreign companies. Panellists also saw the need for targeting tax incentives at and ensuring adequate credit for SMEs, and providing subcontracting opportunities for SMEs in public-sector projects.

12. Panel members recounted how their participation in the EMPRETEC programme had changed their business attitudes and perceptions, enhanced their business skills, and provided them with the business self-confidence necessary

to take risks as an entrepreneur and manage their business activities more effectively. In addition, other Empretecos were recognized as colleagues within the EMPRETEC family, rather than as competitors. In turn, this had created an environment highly conducive to enterprise networking, as had indeed happened with notable success among Empretecos in several countries. Such linkages had helped to expand not only domestic business turnover, but export revenues as well. Moreover, various follow-up services provided in support of Empretecos, such as promotional videos and facilitation of study visits, served to generate the needed publicity, awareness, and business capabilities through learning. Some Empretecos had also participated jointly in overseas trade missions and international trade fairs, where they had gained valuable exposure to market trends and requirements. The importance of such exposure was strongly emphasized by several panel members, as it had enabled them to respond more effectively to their market niches. The employment generation benefits of EMPRETEC were also stressed, as the development of entrepreneurial skills and enthusiasm, including successful role models, was encouraging more people to take up the challenges and opportunities of becoming entrepreneurs, instead of thinking in terms of being employees. All in all, EMPRETEC was regarded as a programme of significant economic potential and relevance to developing countries.

13. In the ensuing discussion, it was recalled that the United Nations Secretary-General's Special Initiative for Africa of March 1996 recognized enterprise development as a *sine qua non* for the integration of Africa in world trade. It was further stated that through the EMPRETEC programme, among others, UNCTAD had an important role to play in the facilitation and promotion of enterprise development in Africa. In that connection, it was pointed out that UNDP, which had funded several EMPRETEC projects in Africa, had seen merit in the EMPRETEC model; the agency was currently endeavouring to expand the implementation of EMPRETEC programmes in Africa as part of the Enterprise Africa programme. At the same time, UNCTAD was also in the process of discussion with a number of both target beneficiary countries and donor agencies and countries to extend the EMPRETEC programme in Central America, the Caribbean, and Asia.

14. It was further noted that the programme had not operated yet in any Asian country. In that regard, a country interested in establishing the EMPRETEC programme would need to make a formal request to UNCTAD or to the United Nations Department for Development Support and Management Services, which was at present a co-manager with UNCTAD in the implementation of the EMPRETEC programme. These two organizations would then work with both the Government and the private sector in formulating a project suitable for the particular conditions of the requesting country, in trying to secure the needed financial support from donor countries and agencies, including UNDP, and finally in establishing the programme and backstopping the process of its implementation in the country.

15. Operationally, the EMPRETEC programme was highly subsidized at the start of its implementation. Subsequently, however, it was expected to charge market rates for its follow-up services after its successful track record had become better known. In particular, the scope of its services would not be limited to the competencies of the core staff of EMPRETEC in the country; there was normally a roster of associate consultants whose expertise could be

called upon at short notice. The programme's failure rate generally tended to be limited: a key feature of EMPRETEC rested on the rigorous process of identification and selection of likely business winners on the basis of well-established criteria relating to core entrepreneurial competencies.

16. It was noted that the EMPRETEC Ghana Foundation had generated a financial surplus in 1996; it had now become self-supporting and independent of donor contributions. The Foundation provided services to various agencies such as the World Bank, the EU, and ODA for which a management fee was charged. Its Board members were recruited from the public and private sectors, including multinationals and the banking community. They provided EMPRETEC with policy advice and counsel; some of them also participated in business project implementation on a private or personal basis. The Business Support Centre (BSC) constituted the primary window for the provision, on request, of advice to clients of the EMPRETEC programme.

17. It was then pointed out that EMPRETEC was in nature not a poverty alleviation programme, this being an issue to be addressed by other United Nations technical cooperation activities. EMPRETEC was conceived and implemented for the identification and promotion of growth and development of potentially successful entrepreneurs who, in turn, would help jumpstart the economy and expand job opportunities. Notwithstanding the need for targeted policy assistance due to limited resources within a developing country, the EMPRETEC programme did not discriminate among the participating entrepreneurs who had passed the initial tested selection. Nevertheless, the ultimate impact of the programme could only be monitored over the medium to long term, in comparison with data collected through benchmark surveys. It was observed that monitoring and evaluation were an essential task which, however, also had significant resource implications. Donors were thus encouraged to make funds available for this purpose.

B. Services infrastructure for development and trade efficiency assessment (agenda item 4)

18. Under agenda item 4, the secretariat made a series of short presentations on various areas of activity relating to services infrastructure and trade efficiency. The presentations were followed by discussions.

TRADE FACILITATION

Presentation

19. Lack of efficient and transparent trade- or transport-related services led to the risk of exclusion of developing countries and LDCs and transition economies. Trade facilitation reduced barriers to the participation of SMEs in trade, increased employment and allowed entrepreneurs to become partners in the globalization and liberalization of trade. Outdated procedures and non-standardized documents led to high transaction costs and unnecessary delays. The solution was to adapt commercial practices to international standards and introduce new relationships between the public and private sectors.

20. The success of the Uruguay Round had led to lower tariffs. For countries not to suffer an unacceptable decline in State revenue, more accurate assessment and duty collection were imperative. UNCTAD was well placed to work with WTO in response to the Singapore Declaration, and concrete cooperation was under way.

21. It was useful to concentrate on: the introduction of simplified, harmonized and modern documents and procedures; and the improved participation of local traders and freight forwarders in terms of providing modern logistics services. The results would be the removal of impediments to international trade and transport.

CUSTOMS

Presentation

22. ASYCUDA could assist Customs in ensuring the effective collection of revenue and increasing enterprise competitiveness. The use of modern technology allowed trade facilitation while at the same time strengthening Customs control. With its more than 70 user countries, ASYCUDA had become the de facto world standard in Customs clearance. However, its successful introduction required commitment at the highest political level and support from private sector partners. A sound and commonly agreed strategy among the beneficiaries, the donors and UNCTAD was indispensable. Finally, over the next few years perhaps 30 more countries would adopt the system, while some of the earlier implementations would have to be revisited to address any remaining problems.

Discussions

23. A number of delegations expressed concern with regard to the possibly inadequate emphasis placed on LDCs. They asked how ASYCUDA fitted in with other trade efficiency activities such as ACIS and whether UNCTAD had a clearly defined strategy concerning potential synergies. Reference was also made to the Anstee report on UNCTAD's technical cooperation (TD/B/40(2)/14) and to the question as to whether the future of ASYCUDA would be even brighter if UNCTAD reduced its role as the main executive contractor for the project. Would ASYCUDA benefit from the establishment of a consultancy company? The secretariat indicated that a study funded by the Swiss Government had been carried out, and that the results would be communicated to the member States. It appeared that there were some problems with the concept of a consultancy company for this purpose. The secretariat confirmed the focus on LDCs, 27 of which were already benefiting from ASYCUDA reform and automation programmes; it also confirmed that there was a close and active relationship between UNCTAD and the regional commissions; that ASYCUDA could help to resolve the apparent contradiction of increasing revenue while lowering tariffs; and that the problems of the LDCs in Customs were in no way different from those that other countries were experiencing in this field, apart from the fact that the revenue impact in the LDCs was much more important.

TRANSPORT

Presentation

24. Transport was an essential element in international trade. For some developing countries (i.e. land-locked countries and small islands), it could represent as much as one-third of cif prices. The objective of the secretariat was therefore to enhance the efficiency of transport operations so that transport promoted trade and development. The ACIS Programme, already installed in 16 countries, provided advance information on cargoes and vehicles to consignees and transport operators. A number of port and transport management courses had been delivered to more than 1,000 managers over the last five years alone, and transport research and reference material had been made available to interested parties in developed and developing countries. Finally, a large technical assistance programme to rehabilitate Somali port management had commenced in 1993 with UNDP and EU funding. The priorities for the future were: to expand the ACIS programme; to continue publishing technical papers (i.e. reports, newsletters and monographs); to continue technical assistance and training activities; and to contribute to the strengthening of Trade Points.

Discussion

25. Answering questions, the secretariat said that the advice given to shippers of developing countries in relation to transport services was objective and was in no way intended to favour or discriminate against national or international carriers. Current activities in Somalia were now focused in the northern ports of Berbera and Bosasso to upgrade local management, including the setting-up of training centres, thus seeking to ensure sustainability of project activities.

TRANSIT TRANSPORT

Presentation

26. Transit transport facilitation referred to any set of measures which two or more countries could take to coordinate their transport infrastructure networks or technical standards for such infrastructure, harmonize traffic regulations and simplify customs and administrative procedures in order to speed up movement of traded goods across national borders.

27. Until recently, UNCTAD's work on transit had focused on improving transit systems of interest to land-locked developing countries, but following UNCTAD IX, the work now included transit systems of interest to other developing countries as well. UNCTAD's new mandate was in response to emerging transport and trade patterns indicating increased regional trade. This evolution would strengthen regional transit transport cooperation. UNCTAD's programme in transit would give special priority to least developed countries and land-locked developing countries.

BANKING AND INSURANCE

Presentation

28. Within the framework of trade efficiency, banking and insurance represented a new area of activity emanating from the 1994 United Nations International Symposium on Trade Efficiency and made possible by the UNCTAD restructuring. Provision of finance was essential before any other trade-related activity could be commenced. Traders in developing countries and transition economies needed access to secure, efficient and competitively priced financial services. UNCTAD's objective in this respect would be to facilitate access to modern trade finance, payment and risk management products and services for traders in developing countries and transition economies. The obstacles to be overcome related to non-availability of capital and expertise, regulatory constraints and inadequacies in telecommunication and information systems technology. Priorities for the future included technical assistance, setting-up of databases (particularly on financial services providers and national, regional and international trade finance and insurance programmes), creation of an Internet site on international trade finance and training activities.

Discussion

29. Attention was drawn to the importance of Trade Points respecting the principle of fair competition, both domestically and internationally, when giving information on the suppliers of a given financial service. Attention was drawn to UNCTAD's work on SME access to finance, export finance, and wider use of risk management techniques in commodity and other trade, especially the training programme prepared by UNCTAD on risk management, which included awareness-raising for Governments about legal and regulatory factors affecting terms of access to credit. Attention must also be paid to the activities of other trade promotion bodies in various countries and to the increased interest of banks in developing financial products for SMEs due to the decreased costs of obtaining and managing information. The impact of changes in information technology on the provision of financial services must be followed closely.

30. Other issues raised related to the institutional set-up for providing financial service to SMEs, cost-recovery systems involving private sector users, the need to take into consideration the specificities of each country in the provision of financial services, and the importance of financing SMEs on the basis of prevailing international financial terms and conditions.

BUSINESS INFORMATION/TELECOMMUNICATION

Presentation

31. For SMEs and LDCs, business information was the key to successful international trade transactions, and Trade Points would disseminate business information free of charge. UNCTAD had so far developed Electronic Trading

Opportunities (ETOs) under the EDIFACT standards and the Internet incubator which provided access to Internet facilities for countries not connected to it. UNCTAD would continue developing software tools, standards and training courses in this area of activity.

32. The telecommunication revolution had changed ways of doing business, as the exchange of information and services was now instantaneous and low-cost. The Global Trade Point Network, now available in more than 100 countries, was a gateway to the networked economy, especially for LDCs and SMEs. It also gave access to the most advanced technologies and services in electronic commerce. The GTPnet was the most visited trade-related site on the Internet. The priorities for the future were expansion of the network, assuring the security of transactions, improving standards and reinforcing institutional strength.

Discussion

33. Several countries recognized and insisted on the importance of this issue for developing countries and especially for the LDCs, and asked for an evaluation of the actual situation of the Trade Point network programme, in particular with regard to the extent of interoperability. Questions were also raised about charging issues and their implications for the financial viability of Trade Points; how could Trade Points be viable if they provided information free of charge? Trade Points needed to consider what value-added services could be charged for. With regard to ETOs, more concrete information was needed about the actual profile of users and about the quality of ETOs; what mechanisms were in place for quality control?

34. Delegations also raised the question of the legal protection of the Trade Point logo, a Trade Point federation and work done on security of information. It was indicated that an international federation of Trade Points might be in a better position to ensure legal protection on behalf of Trade Points. The first step in this direction had already been taken by Trade Points in the western hemisphere, where a regional federation had been created in November 1996.

35. Questions were raised by a number of countries about UNCTAD priorities in selecting developing countries and in particular the LDCs for assistance in the establishment and development of Trade Points. It was emphasized that the success of Trade Point development relied on the political will of the individual countries.

36. Questions were also raised about compatibility with other networks, since users had to search various networks, the need to ensure the compatibility of ETO messages with EDIFACT standards, and cooperation of UNCTAD with other institutions such as WTO and ITU. It was indicated that evaluation and development were carried out in close cooperation with other systems and organisms. UNCTAD was at the forefront in the dissemination of the use of international standards such as EDIFACT for ETOs, although in practice only around 10 per cent of ETOs respected the standards. In relation to the quality of the ETOs, a simplified procedure of screening ETOs had been established in the UNTPDC in Australia, and the question of charging a fee for such quality certification was under consideration.

LEGAL ISSUES

Presentation

37. The secretariat stressed that all the services presented involved legal issues. Trade efficiency depended to a large extent on the existence of a sound domestic regulatory framework, as well as awareness of those involved in international trade concerning the way international trade was conducted. An up-to-date regulatory framework was indispensable to derive the maximum benefit from technological and economic changes. Reference was made to EDI and the difficulties encountered when used in international trade because legal regimes did not cater for electronic trading.

38. Since UNCTAD did not have the resources to handle all the legal issues relevant to international trade and trade-related services, it could focus on a number of priority areas such as assisting developing countries in the modernization of trade-related national legislation, organization of educational programmes, preparation of information handbooks on legal aspects of international trade, advising Governments on measures to overcome legal impediments to the use of EDI, disseminating information on legislative reforms on issues such as electronic commerce and trade-related services, and legal assistance to Trade Points. These activities would promote certainty and uniformity of trade law and, by creating a legal environment conducive to efficient trading, would reduce transaction costs, delay and disputes.

HUMAN RESOURCES DEVELOPMENT

Presentation

39. UNCTAD was taking a new concerted approach to training, based on accumulated experience and strengths. The systematic approach to training applied by the TRAINMAR programme, combined with other experience in information exchange, systems development and networking, would provide a basis for training initiatives in all sectors. The programme in each sector would have a training component aimed at supporting implementation of changes and providing for complementary competence to improve performance in service sectors. Each component might include the preparation of training packages or assistance to local institutions in providing and sharing suitable training. Since it might lie beyond the capacity of UNCTAD to put the training objectives into practice, assistance would be sought from competent professional bodies and from donors.

Discussion

40. The issues raised included the need to ensure that national participation was efficient, bearing in mind that this depended on people's willingness to adopt and apply new procedures; the importance of awareness among decision makers regarding new systems and their potential; and the special need of LDCs to receive training to enable them to master new technology and catch up with competences more readily acquired in more advanced countries.

41. One participant noted that TRAINMAR was one of the UNCTAD programmes that was most appreciated, while another asked how easily the approach taken therein could be extended readily to other service sectors. The secretariat explained the nature of the TRAINMAR approach, which had already been adopted as a standard by UNCTAD under the name of TrainForTrade, its potential to be introduced anywhere based on thorough documentation and ready-made workshops, and its potential to facilitate cooperation across service sectors and among countries.

TRADE EFFICIENCY ASSESSMENT

Presentation

42. Trade efficiency assessment was necessary because, given the multisectoral issues covered by trade efficiency, there was need for a coherent and practical view of the overall programme. Standardized indicators would be a helpful tool in the hands of policy makers, as they would help to measure the progress achieved by domestic reforms. Internationally, trade efficiency assessment would serve as a publicity tool advertising the improvement achieved by the country. The assessment could also stimulate the exchange of experience between countries. As Trade Points had a common objective, they should have a common measurement. The structure of the assessment would be light, based on voluntary participation, and it would be transparent (comprehensive and easily readable). The methodology was expected to be ready by the end of 1997, and the first wave of countries could undergo the exercise at the beginning of 1998.

Discussion

43. Several countries expressed their interest in the availability of standard indicators and how they would be elaborated. It was indicated that, since there was no lack of sectoral indicators already available, the methodology would concentrate on the development of a simple aggregated indicator for trade efficiency assessment. UNCTAD would work in close cooperation with ITC, UN/ECE and other bodies.

44. Several questions were raised about the practicalities of the assessment, such as terms of reference, who would conduct the assessment and provide funding for it, and how much time would be required for the whole procedure. Some countries expressed their concerns about possible duplication with assessments carried out within UNCTAD and by other organizations, and questions were raised about the sources of information that would be used for the assessment. It was emphasized that the terms of reference needed to be refined at this stage and would be adapted to countries' specificity. The secretariat would design the methodology taking into account the limited availability of resources. The private sector, in particular Trade Point customers, could also contribute to the financing of the assessment.

Annex IV

LIST OF PANELLISTS FOR PANEL DISCUSSIONS UNDER AGENDA ITEM 3

A. Panel on "Country experiences in enterprise development"

Panellist	Topic
Ms. T. Azad, Adviser on a TACIS (EU) project in Kazakstan	Enterprise restructuring and development, experience at the firm level; the case of Kazakstan
Mr. S.N. Kapaku, Assistant Projects Director, Village Industry Service, Zambia	The role of NGOs in the promotion of SMEs; the case of the Village Industry Service, Zambia
Mr. J. Katz, Regional Adviser on Industrial and Technical Development, ECLAC	Liberalization policies; impact on enterprise restructuring and prospects for industrial development; case studies of Latin America
Ms. E. Lim, Solid Group Inc.	The role of user-supplier links in enterprise development; the Solid Group Experience
Mr. H. Schmitz, Fellow, Institute of Development Studies, University of Sussex	Comparative experiences of developing countries in clustering
Mr. L. Westphal, Professor of Economics, Swarthmore College	Government-business relations; experience of the Republic of Korea

B. Panel on "Building innovative SMEs in competitive markets - the experience of EMPRETEC"

Panellist

Mr. Martin Backhaus, Director, Kalvanco Argentina S.A., Argentina
Mr. Nigel Chanakira, CEO, Kingdom Securities Holdings Ltd., Zimbabwe
Mr. Alan Kyerematen, CEO, Empretec Ghana Foundation
Ms. Lilian Musa, Director, Pith Helmet Industries (Private) Ltd., Zimbabwe
Ms. Marina Elena Riva-Zucchelli, Director, CYBERNET, Uruguay

Annex V

MESSAGE RECEIVED ON THE OCCASION OF THE COMMISSION'S FIRST SESSION

A. Message from Mr. Yves Berthelot, Executive Secretary, United Nations Economic Commission for Europe

In May 1996 at UNCTAD IX, I was pleased to speak on behalf of the United Nations regional economic commissions and pay tribute to the quality of cooperation between UN/ECE and UNCTAD. The inter-secretariat task force of UN/ECE, UNCTAD and ITC regarding trade efficiency and trade facilitation continue to meet regularly for the benefit of our member States.

I would like to congratulate UNCTAD at this first meeting of the Commission on Enterprise, Business Facilitation and Development and to emphasize the benefits which we can all derive from close and active cooperation. This has become all the more significant following the December 1996 WTO Council meeting in Singapore, which placed trade facilitation on the free trade agenda. Indeed, in the future, as tariffs become increasingly liberalized, we can expect even more attention to be given to other methods for increasing world trade such as trade facilitation.

As the international focal point for trade facilitation standards and recommendations, the UN/ECE is committed to cooperating closely with and disseminating its work through the WTO, United Nations agencies and other appropriate international forums. In this context, we place particular importance on our ongoing cooperation with UNCTAD and the ITC within the inter-secretariat task force which associates our three organizations. One important illustration of the results achieved through this cooperation is the implementation and dissemination of UN/EDIFACT standards by UNCTAD's Trade Efficiency Programme through their Trade Point Programme.

The recent reform of UN/ECE streamlined its activities regarding trade development and created a new Centre for the Facilitation of Administration, Commerce and Transport - the CEFACT. This will enable UN/ECE to pursue its trade facilitation role with renewed energy. The CEFACT will provide a framework for all countries to participate in setting trade facilitation standards and will also enable UN/ECE to reach out more effectively to the private sector and to trade operators.

The CEFACT will report to a new UN/ECE Committee on Trade, Industry and Enterprise Development. I am delighted to note that the UN/ECE secretariat will have more resources to service this Committee, which will also enable it to deliver more effective collaboration in partnership with UNCTAD.

I am pleased to conclude by reiterating UN/ECE's commitment to cost-effective collaboration with UNCTAD. We now have two inter-secretariat task forces contributing to the work of the UNCTAD Commission on Enterprise, Business Facilitation and Development: the first on trade facilitation and trade efficiency and the second, newly established, on enterprise development in the transition economies. I look forward to the successful conclusion of your work and to the pursuit of our common goals.

B. Message from Mr. J. Denis Bélisle, Executive Director of the International Trade Centre (UNCTAD/WTO)

Trade facilitation, business information and adequate human resource development in the field of enterprise management and trade-support services will occupy a prominent position in the strategies of all Governments and enterprises involved in international trade.

ITC and UNCTAD have anticipated this trend, and our cooperation in the area of trade efficiency has been the sine qua non for the effective contribution we have been able to make in a practical, result-oriented and business-like fashion for making international trade transactions more efficient, less costly, and therefore more affordable to developing countries and their enterprises.

The significant results obtained, for example, in developing efficient business information centres and in bringing about convergence between ITC's company registers (COMREG) and the Trade Points' ETO system are of immediate value for the users of the Global Trade Point Network and for Trade Promotion Organizations in general. The joint submission of an ITC/UNCTAD project to the European Union for installing Trade Points in all countries of the ECOWAS is another piece of practical evidence that the cooperation between ITC and UNCTAD in this area is more than a mere expression of intent. Many practical programmes can benefit from the combination of our respective experiences and assets: for instance, I had proposed at the Trade Efficiency Symposium organized at Midrand in parallel with UNCTAD IX that the Global Trade Point Network should develop Virtual Trade Exhibitions, allowing all member countries to display their products on the Internet; I strongly believe that such practical activities, when developed in cooperation, have the potential to improve our relevance and efficiency as institutions involved in trade promotion, trade information, and trade facilitation.

Based on this excellent working relationship between our two organizations, and on our respective mandates and capacities, ITC will continue to explore with UNCTAD additional avenues of cooperation for the benefit of enterprises involved in international trade and in particular in pursuance of the objectives that your Commission's deliberation will identify as priorities. We wish you success in your work.

C. Message from Dr. Pekka Tarjanne, Secretary-General of the International Telecommunication Union

As this century draws to a close, it has almost become a truism to say that telecommunications are affecting all aspects of our lives. I feel, however, that this has never been more evident than in the field of international economic relations, and in particular in those of trade and development.

The timing of your meeting here in Geneva is particularly appropriate. In another part of town, at the World Trade Organization, talks are in progress which should produce, by 15 February 1997, an intergovernmental agreement on the liberalization of trade in telecommunication services. These talks will help to ease the transition to a truly global trading system and

create the right environment for growth of investment opportunities and entrepreneurship through new forms of electronic commerce. For its part, the ITU will do everything it can to ensure the success of the talks, and in particular to assist those developing countries that request help in preparing their schedule of commitments and for implementing the eventual agreement.

This is a context in which I can only be delighted that UNCTAD should address telecommunications issues in such a practical and action-oriented way as it has done since the Columbus Summit. Paragraph 94 of the final text of UNCTAD IX (A Partnership for Growth and Development) offers a very exciting basis for mutually beneficial cooperation between UNCTAD and the ITU regarding the development dimension of the emerging Global Information Infrastructure (GII). I am personally delighted by the working relationship which has already been established between the secretariats of UNCTAD and ITU to pursue this important task. For example, ITU's Telecommunication Development Bureau (BDT) and UNCTAD's Trade Point Programme have been actively preparing joint activities in Africa, and it is my sincere hope that such cooperation can be pursued in other parts of the world as well.

It is my hope in particular that practical ways can be identified to take advantage of possible synergies between Telecom Interactive 97, which will be organized in Geneva under ITU auspices, and the activities that UNCTAD will be in a position to undertake in the near future in the context of telecommunications and development.

UNCTAD and ITU have significant benefits to draw from actively pursuing such cooperation. Please rest assured that, on our side, we shall not spare our efforts to do so.

I wish you every success in your deliberations.

Annex VI

PROVISIONAL AGENDA FOR THE SECOND SESSION OF THE COMMISSION

1. Election of officers
2. Adoption of the agenda and organization of work
3. Enterprise: issues relating to an enterprise development strategy
4. Services infrastructure for development and trade efficiency assessment
5. Provisional agenda for the third session of the Commission
6. Other business
7. Adoption of the report of the Commission to the Trade and Development Board.

Annex VII

ATTENDANCE 1/

1. The following States members of UNCTAD, members of the Committee, were represented at the session:

Afghanistan
Algeria
Argentina
Armenia
Australia
Austria
Bangladesh
Belarus
Bolivia
Brazil
Bulgaria
Cameroon
Chile
China
Colombia
Costa Rica
Croatia
Cuba
Czech Republic
Democratic People's Republic of Korea
Egypt
El Salvador
Ethiopia
Finland
France
Germany
Ghana
Greece
Haiti
Honduras
Hungary
India
Indonesia
Iran (Islamic Republic of)
Iraq
Ireland
Israel
Italy
Jamaica
Japan
Jordan
Kazakstan
Kenya
Libyan Arab Jamahiriya
Madagascar
Malaysia
Malta
Mexico
Mongolia
Morocco
Namibia
Netherlands
Nigeria
Norway
Pakistan
Panama
Paraguay
Peru
Philippines
Poland
Portugal
Romania
Russian Federation
Saudi Arabia
Senegal
Singapore
Slovakia
Slovenia
South Africa
Spain
Sri Lanka
Sudan
Sweden
Switzerland
Syrian Arab Republic
Thailand
The Former Yugoslav Republic of Macedonia
Trinidad and Tobago
Tunisia
Turkey
Uganda
Ukraine
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Uruguay
Venezuela
Zambia
Zimbabwe

1/ For the list of participants, see TB/B/COM.3/INF.1.

2. The following States, members of UNCTAD, were represented as observers at the session:

Angola
Brunei Darussalam
Cyprus
Dominican Republic
Mauritius
Myanmar
Nepal
Swaziland
Viet Nam
Yemen

3. The following were represented at the session:

The Department of Development Support and Management Services
Economic Commission for Europe
Economic Commission for Africa
The International Trade Centre UNCTAD/WTO was also represented at the session.

4. The following specialized agencies were represented at the session:

International Labour Organization
International Monetary Fund

5. The following intergovernmental organizations were represented at the session:

Arab Labour Organization
European Community
European Free Trade Association
Islamic Development Bank
League of Arab States
Organisation for Economic Co-operation and Development
Organization of African Unity

6. The following non-governmental organizations were represented at the session:

General Category

International Confederation of Free Trade Unions
International Federation of Business and Professional Women
International Organization of Employers
World Federation of United Nations Associations

Special Category

Airlines' Worldwide Telecommunications and Information Services
International Federation of Freight Forwarders Associations

7. The following non-governmental organization, specially invited by the secretariat, attended the session:

Conference of Non-Governmental Organizations

كيفية الحصول على منشورات الامم المتحدة

يمكن الحصول على منشورات الامم المتحدة من المكتبات ودور التوزيع في جميع انحاء العالم . استعلم عنها من المكتبة التي تتعامل معها أو اكتب الى : الامم المتحدة ،قسم البيع في نيويورك او في جنيف .

如何购取联合国出版物

联合国出版物在全世界各地的书店和经售处均有发售。请向书店询问或写信到纽约或日内瓦的联合国销售组。

HOW TO OBTAIN UNITED NATIONS PUBLICATIONS

United Nations publications may be obtained from bookstores and distributors throughout the world. Consult your bookstore or write to: United Nations, Sales Section, New York or Geneva.

COMMENT SE PROCURER LES PUBLICATIONS DES NATIONS UNIES

Les publications des Nations Unies sont en vente dans les librairies et les agences dépositaires du monde entier. Informez-vous auprès de votre libraire ou adressez-vous à : Nations Unies, Section des ventes, New York ou Genève.

КАК ПОЛУЧИТЬ ИЗДАНИЯ ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ

Издания Организации Объединенных Наций можно купить в книжных магазинах и агентствах во всех районах мира. Наводите справки об изданиях в вашем книжном магазине или пишите по адресу: Организация Объединенных Наций, Секция по продаже изданий, Нью-Йорк или Женева.

COMO CONSEGUIR PUBLICACIONES DE LAS NACIONES UNIDAS

Las publicaciones de las Naciones Unidas están en venta en librerías y casas distribuidoras en todas partes del mundo. Consulte a su librero o diríjase a: Naciones Unidas, Sección de Ventas, Nueva York o Ginebra.

Printed at United Nations, Geneva
GE.97-50438–March 1997–1,955